## Press Statement and Answers to Questions at a Joint News Conference with Ukrainian President Leonid Kuchma

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Vladimir Putin: Good afternoon, ladies and gentlemen,

Once again I would like to warmly welcome the President of Ukraine. I would like to thank him for accepting my invitation and coming here for a quick visit in order to exchange opinions on the current state of bilateral relations, discuss some international problems on which Ukraine and Russia are closely interacting and coordinating their efforts.

I must say that this is not yet the end and we still have time to work together. But I can already say that I am very pleased with the consultations that we have had because we have discussed practically all the issues of mutual interest. They include political interaction, economics, and, as you may guess, the energy sphere, the spheres of production, industry, science, education and culture. They include the issues which, as I have said, are of interest to our foreign ministries. I must say that on practically all the issues we have a clear idea about the direction we should move in and what we should do together to achieve results.

On the way here I told Leonid Danilovich: things look so good that one doesn't feel like changing anything in a major way. Not all the issues have been solved, there are many problems and many arguments, especially at the level of the expert community. I do not see that as a tragedy, indeed I think it is a very positive process. Russian and Ukrainian experts are working very closely together and arguing in order to arrive at decisions that meet the national interests both of Ukraine and Russia, they seek consensus and in most cases they achieve it.

The main thing about what has recently been accomplished is that the character of our interaction and the quality of our relations have changed and confidence in each other has greatly increased. In that sense and on that score I wouldn't like to see anything changed. I very much hope and I am sure that it will be the case.

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Question: How do you assess the progress of joint Russian-Ukrainian projects, in particular An-70?

Vladimir Putin: I will divulge a little secret, although it is not really a secret. Sitting in my office with Leonid Danilovich we used modern communication means to confer with our Foreign Minister and the Chief of the General Staff. As regards An-70, the position of specialists, I want to stress that it is the position of specialists, remains unchanged. We are interested in this project and we will continue working on it. You know that we have made massive efforts to promote this product in the international markets together, not a very successful effort, but we are still optimistic. I think we will find a market for that plane. During my conversation with the Chief of the General Staff I directed him to do some more work on the issue, and we will go on working on that project.

Question: What do you think about the prospects for cooperation between Russia and Ukraine within the EurAsEC? Ukraine has been granted observer status with that organisation, so apparently your assessment is positive. What are your further plans?

Vladimir Putin: For my part, I have this to say. I'll give you some figures and I think it would be better if you get them from me and not from some murky sources with a lot of spin.

EurAsEC, I stress, is strictly an economic organisation and not a political association. In effect, it is a free trade zone. If Ukraine joins, it would mean that the main Russian exports, above all, hydrocarbons, will be supplied to Ukraine and taxed in Ukraine. It means that about 400–450 million US dollars collected by this process will go into the budget of Ukraine and not into the budget of the Russian Federation.

Furthermore, according to Russian and some foreign specialists, it would increase Ukraine's GDP by 1.5% or so. At the same time, it will have a positive effect, in the short term, not to speak about the medium term, for the Russian economy because it would put an end to so-called anti-dumping investigations and restrictions and remove other barriers that impede the economic development of the two countries.

We are still in the approval process and our specialists are engaged in consultations, but in spite of the above-mentioned problems for Russia we would welcome the move that the Ukrainian President indicated was possible, namely, the full and equal membership of Ukraine in EurAsEC. But that is the subject of negotiations and all our EurAsEC partners must have their say. We must take the decision together, including of course with Ukraine.

The process in connection with the Ukrainian President's decision on the observer status of Ukraine is moving in a positive direction.

Question: Is Russia going to join NATO? What major changes do you foresee in the relations between Ukraine and NATO? And how do you see the pattern of Ukraine-Russia-NATO relations in the future?

Vladimir Putin: Russia does not intend to join NATO. Russia, as you know, is engaged in a very constructive dialogue with NATO to create a new Russia-NATO structure "at twenty", in which all twenty countries will be represented as nations, each having one vote, and all the issues will be solved without prior consultations, without any prior decisions on a number of issues being taken first within the bloc. You know about these issues and practical consultations have already been completed. These issues are terrorism, humanitarian operations, the non-proliferation of weapons of mass destruction and other issues.

I am absolutely convinced that Ukraine will not shy away from the processes of expanding interaction with NATO and the Western allies as a whole. Ukraine has its own relations with NATO; there is the Ukraine-NATO Council. At the end of the day the decision is to be taken by NATO and Ukraine. It is a matter for those two partners.

Question: Have you discussed the prospects and level of cooperation in the gas sphere? What, in your opinion, is the current state of that cooperation?

Vladimir Putin: We have had a similar conference with the Chairman of the Board of Gazprom, Mr Miller.

After the signing of the gas agreements between Russia and Ukraine, Russia believes that the process is developing in a positive way. And we hope that the interaction will grow. We discussed it with the President in detail. We have certain plans and considering that the main buyers of gas are European countries we will think about how to harmonise relations in Europe, and build bilateral relations with Ukraine to ensure that the European consumers of Russian gas feel secure and calm. And I think these are achievable goals, considering the involvement of our Ukrainian partners.

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